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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.	Rulemaking 13-12-010 (Filed December 19, 2013)
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**ADMINISTRATIVE LAW JUDGE'S RULING ON NATURAL RESOURCES
DEFENSE COUNCIL'S SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP**

Customer: Natural Resources Defense Council (NRDC)	
Assigned Commissioner: Michael Picker	Assigned Administrative Law Judge: David M. Gamson

PART I: PROCEDURAL ISSUES

A. Status as "customer" (see Pub. Util. Code § 1802(b)): The party claims "customer" status because the party is:	Applies (check)
A Category 3 customer that is a formally organized group authorized, by its articles of incorporation or bylaws to represent the interests of residential customers or small commercial customers receiving bundled electric service from an electrical corporation. Certain environmental groups that represent residential customers with concerns for the environment may also qualify as Category 3 customers, even if the above requirement is not specifically met in the articles or bylaws.	X
<p>The party's explanation of its customer status must include the percentage of the intervenors members who are residential ratepayers or the percentage of the intervenors members who are customers receiving bundled electric service from an electrical corporation, and must include supporting documentation: (i.e., articles of incorporation or bylaws).</p> <p>NRDC falls within the third category listed in Section 1802(b)¹ because it is a "representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers...."</p> <p>NRDC is a non-profit membership organization with a long-standing interest in minimizing the societal costs of the reliable energy services that a healthy California economy requires. We have participated in numerous California Public Utilities</p>	

¹ This and subsequent code references are to the California Public Utilities Code, unless specified otherwise.

Commission proceedings over the last 25 years with a particular focus on representing our California members' interest in the utility industry's delivery of cost-effective energy efficiency programs, renewable energy resources, and other sustainable energy alternatives. The majority of our California members are residential customers.

NRDC is a formally organized group authorized pursuant to our bylaws to represent the interests of our members, nearly all of whom are residential customers. NRDC's bylaws state in Section 1.02(a) that: "Individual membership in the Corporation shall constitute an authorization for the Corporation to represent members' interests in regulatory and judicial proceedings within the scope of the activities of the Corporation." The Certificate of Incorporation of the Natural Resources Defense Council, Inc., states that: "The purposes for which the corporation is formed are: To preserve, protect and defend natural resources, wildlife and environment against encroachment, misuse and destruction" and "[t]o take whatever legal steps may be appropriate and proper to carry out the foregoing purposes." Attachment 1 includes the relevant section of the Certificate. The relevant section of the bylaws is included in Attachment 2. Over 80,000 of NRDC's members live and purchase utility services in California. NRDC's members are dispersed throughout the state and the majority of these members are residential customers of Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, or San Diego Gas and Electric Company. This qualifies NRDC as a Category 3 customer pursuant to Section 1802(b) of the Public Utilities Code.

The interests of the customer represented by NRDC are unique and are not adequately represented by other parties that have intervened in the case. NRDC's members highly prioritize the need to preserve environmental quality while minimizing the societal costs of providing electric service through energy efficiency, renewable resources, and other cost-effective alternative energy resources.

In D. 98-04-059, page 29, footnote 14, the Commission reaffirmed its "previously articulated interpretation that compensation be proffered only to customers whose participation arises directly from their interests as customers." The Commission explained that "With respect to environmental groups, we have concluded they were eligible in the past with the understanding that they represent customers whose environmental interests include the concern that, e.g., regulatory policies encourage the adoption of all cost-effective conservation measures and discourage unnecessary new generating resources that are expensive and environmentally damaging. (D.88-04-066, mimeo, at 3.) They represent customers who have a concern for the environment which distinguishes their interests from the interests represented by Commission staff, for example." Consistent with this articulation, NRDC represents customers with a concern for the environment that distinguishes their interests from the interests represented by other consumer advocates who have intervened in this case.

Do you have any direct economic interest in outcomes of the proceeding?² If so, explain: NO

² See Rule 17.1(e).

B. Conflict of Interest (§ 1802.3)	Check
1. Is the customer a representative of a group representing the interests of small commercial customers who receive bundled electric service from an electrical corporation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. If the answer to the above question is “Yes”, does the customer have a conflict arising from prior representation before the commission?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

C. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)):	Check
1. Is the party’s NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: February 25, 2014	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Is the party’s NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

PART II: SCOPE OF ANTICIPATED PARTICIPATION

A. Planned Participation (§ 1804(a)(2)(A)(i)):
<p>The party’s statement of the issues on which it plans to participate.</p> <p>NRDC will participate in all aspects of the preliminary scope, including – but not limited to – ensuring the CPUC identifies and authorizes the right amount and type of resources to meet local or system resource adequacy, operational flexibility, or other requirements. In particular we will focus on representing our California members’ interest in the utility industry’s delivery of cost-effective energy efficiency programs, renewable energy resources, and other sustainable energy alternatives. We will aim to ensure the Commission follow’s the State’s Loading Order by procuring and relying on all cost-effective reliable energy efficiency before procuring any supply-side resources. We will also direct our attention towards ensuring preferred resources are properly accounted for and, where cost-effective, authorized ahead of non-preferred resources.</p>
<p>The party’s explanation of how it plans to avoid duplication of effort with other parties.</p> <p>To the extent possible, when there are overlapping efforts, concerns, and recommendations, NRDC will coordinate its participation with other parties to avoid duplication, resolve issues ahead of time when possible, and utilize joint comments as an advocacy option whenever possible.</p> <p>The party’s description of the nature and extent of the party’s planned participation in this proceeding (to the extent that it is possible to describe on the date this NOI is filed).</p> <p>NRDC will participate in all workshops, hearings, and related meetings as well as submit comments.</p>

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis:	Applies (check)
“[I]n the case of a group or organization, the economic interest of the Individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)).	X

B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):
The economic interest of individual NRDC members is small when compared to the costs of effective participation. NRDC is representing the interests of its members in California who are customers of utilities under the jurisdiction of the Commission. These customers share an interest in the environmental and economic impacts of this proceeding. While some of these California-resident members may eventually experience lower and/or more stable electricity bills because of NRDC’s contribution in this proceeding on the design, implementation, and review of the state’s procurement authorizations, the economic interest represented by such savings is very small in comparison to the expenses incurred by the organization to present its views in this proceeding.

ADMINISTRATIVE LAW JUDGE RULING

1. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III of the NOI (above).
<p>2. The ALJ provides the following additional guidance (see § 1804(b)(2)):</p> <p>Pub. Util. Code § 1801.3(f) states that “[t]his article shall be administered in a manner that avoids unproductive or unnecessary participation that duplicates the participation of similar interests otherwise adequately represented or participation that is not necessary for a fair determination of the proceeding.” Pub. Util. Code § 1801.3(b) indicates that the Legislature intends for us to administer the provisions of §§ 1801et seq. in a manner “that encourages the effective and efficient participation of all groups that have a stake in the public utility regulation process.” When it codified the intervenor compensation program, the Legislature struck a balance between competing goals: to encourage the effective and efficient participation of all groups that have a stake in the public utility regulation process while avoiding unproductive or unnecessary participation that duplicates the participation of others (D.98-04-059 at 19).</p> <p>There are twelve intervenors participating in this proceeding, with the combined estimated budget of about two million dollars. It is critical for each intervenor seeking compensation to limit its participation to the specific issues of the intervenor’s expertise within the scope of this Rulemaking and coordinate its participation with other parties, to ensure that its efforts complement or supplement, but do not duplicate, their efforts. I urge each intervenor to achieve a high level of the</p>

efficiency in this rulemaking. Natural Resources Defense Council may participate strictly within the scope of this proceeding as identified in the Order Instituting Rulemaking, Scoping Memo and Ruling of May 6, 2014, and any subsequent scoping rulings in this proceeding. Issues outside the scope are not compensable. Any subsequent request for an award of compensation must document all time and expenses. Merely appearing, stating a position, and cross-examining will not assure compensation. Natural Resources Defense Council must demonstrate that its participation resulted in a substantial contribution by presentation of facts or arguments that were relied upon by the Commission in the decision making in this proceeding.

IT IS RULED that:

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| 1. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a). |
| 2. The customer has shown significant financial hardship. |
| 3. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation. |
| 4. Additional guidance is provided to the customer as set forth above. |

Dated August 6, 2014, at San Francisco, California.

/s/ DAVID M. GAMSON

David M. Gamson
Administrative Law Judge